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C O N F I D E N T I A L SECTION 01 OF 02 RIGA 000872

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TAGS: [PREL](#) [PGOV](#) [PBTS](#) [EUN](#) [RS](#) [LG](#)
SUBJECT: LAVROV VISIT DEC. 18? KALVITIS TO STAY UNTIL DEC.
20?

REF: A) RIGA 831 B) RIGA 837 C) RIGA 821

Classified By: Charge d'affaires a.i. Stuart M. Seldowitz. Reason: 1.4
(D)

11. (C) Summary: Russian FM Lavrov will likely visit Latvia December 18 to exchange instruments of ratification on the Latvian-Russian border treaty. As a result of this and other events, it seems likely that PM Kalvitis will resign as planned on December 5 but stay in caretaker mode through December 20 when a new government could be approved by the parliament. The process of coalition building continues but there is still no clear front runner for the post of PM. End summary.

12. (C) MFA U/S for bilateral issues Edgars Skuja briefed pol/econ chief November 21 that he had just come from a meeting with Russian Ambassador Kaluzhny in which the two sides had agreed in principle on a December 18 visit by FM Lavrov to Riga, which has been scheduled and rescheduled several times in recent months (ref A). The main purpose of this visit, the first by a Russian FM since the restoration of Latvian independence, would be the exchange of instruments of ratification of the Latvia - Russia border treaty. Skuja expected several other bilateral agreements could be signed and Lavrov would meet with the President, PM, and Speaker of Parliament. The Russian side has also indicated a willingness to consider the laying of flowers at the Freedom Monument (built in the 1930's), which is considered part of the "standard package" for any high level visit to Riga. Skuja also noted that this timing for the visit meant that the constitutional court ruling on the treaty (due no later than November 30) would be issued in advance of the exchange of instruments of ratification and expressed optimism that the court's ruling would be positive.

13. (C) Later that same day, Peteris Ustubs, foreign policy advisor to PM Kalvitis, confirmed the December 18 date and said that this was influencing the date of Kalvitis' departure from office. Ustubs said that Kalvitis would submit his resignation on December 5 as announced but no longer expected that the Saeima (parliament) would vote on a new government the next day (ref B). Instead, he thought Kalvitis would stay on as head of a caretaker administration with December 20 as the new target date for parliament to vote on a new cabinet. Ustubs explained that this would allow Kalvitis not only to see through the border treaty, but also to sign the EU reform treaty in Lisbon. News that former President Vike-Freiberga could be chosen at the December European Council to head a panel on the future of the EU (septel) was another reason to delay establishment of the new cabinet. (Note: On November 22, Saeima officially announced that it would meet on December 20 for its last session of 2007. It had previously been expected to recess after December 13. End note.)

14. (C) There has been little hard news on the process of government formation (ref C). The current four party

coalition has invited center-right New Era to join discussions, but insiders in the coalition and in New Era say that it is far from certain that New Era will join the government. New Era itself remains internally divided on the issue, with party founder and former PM Einars Repse reportedly strongly opposed to the idea and favoring continued efforts to get President Zatlers to dissolve the parliament. Two coalition members, Kalvitis' Peoples Party and nationalist Fatherland and Freedom, hold party congresses November 24 and the outcomes could have an effect on coalition formation. Finally, Zatlers himself has thrown a spanner in the works by saying that he believes that candidates for the position of PM should debate publicly prior to his asking one of them to form the next government.

15. (C) Comment: If the on again-off again Lavrov visit happens December 18, it would finally allow for the completion of the process of the border treaty. That and the simple fact that no Russian FM has visited Latvia would make it noteworthy. If Vike-Freiberga is selected to head this panel, the two events would allow Kalvitis to leave office on a somewhat higher note. Keeping the current cabinet, even in caretaker mode, through December 20 seems to us a likely possibility. Not only does Kalvitis want to see some of these items through to the end, but the coalition formation process is taking a little longer than expected when he first announced his intention to resign. Right now it is anyone's guess whether the current four-party coalition will expand to five with New Era. The devil will be in the details, specifically ministerial postings and economic policy. This weekend's party congresses have as much potential to confuse the situation as to clarify it. Zatlers' call for public debate through the political leadership for a loop. They preferred a quiet, back room process to select the next PM --

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just like the one that chose Zatlers in May -- but the President seems to be asserting a little independence in this regard. It will be interesting to see how long it lasts.
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